



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0013	Title:	Require equitable apportionment of federal funds among state hatcheries
Primary Sponsor:	Steinbeisser, Donald J	Status:	As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact:

Implementation of SB 13 requires equity in funding among the state hatcheries and therefore will result in reduced fish production at all eight state hatcheries and at Fort Peck Hatchery. The estimated annual decrease is \$350,000.

FISCAL ANALYSIS

Assumptions:

1. All federal Sport Fish Restoration funding is fully allocated and the federal apportionment to Montana will not be increased over the next four years.
2. Available federal funding will be equitably allocated to all eligible hatcheries including the Fort Peck Hatchery based on a formula that provides an equal percent (approximately 64%) for the total operating budget of each hatchery.
3. No new FWP general license funds will be added to the hatchery program. As a result, each of eight hatcheries will see a reduction in their operating budget corresponding to the loss of federal funds. The

annual hatchery program budget is expected to decrease by approximately \$1,400,000 over the four-year period.

4. To maintain equity, the Fort Peck Hatchery will see a comparable reduction in its operating budget (calculated as a 25% match for federal funding based on a fully funded hatchery). The hatchery will decrease fish production to live within a reduced budget.
5. Funding and fish production for all hatcheries will decline.
6. The Warm Water Stamp account balance will grow by about \$1,400,000 over the next four years. Because the Fort Peck Hatchery is already at the peak production allowed by statute, this funding could not be used to increase operations.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Operating Expenses	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
TOTAL Expenditures	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)
TOTAL Funding of Exp.	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
<u>Revenues:</u>				
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$350,000	\$350,000	\$350,000	\$350,000

Long-Range Impacts:

Long-term impacts will be experienced by the statewide hatchery program because of a reduction of approximately \$1,400,000 in operating budget through FY 2013. The hatchery program will experience a decline in fish production at nine hatcheries including Fort Peck, and an increase in the Warm Water Stamp account balance of approximately \$1,400,000 that will only be available for use at the Fort Peck Hatchery.

Sponsor's Initials

Date

Budget Director's Initials

Date